

 **BELLSOUTH**
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April 15, 2003

T.R.A. DOCKET ROOM

Guy M. Hicks
General Counsel
615 214 6301
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VIA HAND DELIVERY

Hon. Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Generic Docket Addressing Rural Universal Service*
Docket No. 00-00523

Dear Chairman Kyle:

Enclosed are the original and fourteen copies of BellSouth's Response to the Petition for Emergency Relief Filed by the Tennessee Rural Independent Coalition and Counterclaim of BellSouth. Copies of the enclosed are being provided to counsel of record.

Very truly yours,


Guy M. Hicks

GMH:ch

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: *Generic Docket Addressing Rural Universal Service*

Docket No. 00-00523

**RESPONSE TO THE PETITION FOR
EMERGENCY RELIEF FILED BY THE
TENNESSEE RURAL INDEPENDENT COALITION
AND COUNTERCLAIM OF BELL SOUTH**

BellSouth Telecommunications, Inc. ("BellSouth") files this response to the Petition for Emergency Relief and Request for Standstill Order (the "Petition") filed by the Tennessee Rural Independent Coalition ("ICO Coalition"). The ICO Coalition requests that the Tennessee Regulatory Authority ("Authority") issue an order directing BellSouth to continue making payments to ICOs for the termination of Commercial Mobile Radio Service ("CMRS") traffic that BellSouth neither originates nor terminates. As explained below, the members of the ICO Coalition are not entitled to such payments from BellSouth, and BellSouth respectfully requests that the ICO Coalition's request be denied. BellSouth also asserts herein its Counterclaim against the members of the ICO Coalition, and respectfully suggests that the most appropriate and reasonable way of resolving this dispute is for the Authority to order that the ICO Coalition and CMRS providers negotiate rates and terms for the exchange of their traffic in Tennessee.

INTRODUCTION

While this is a dispute that on its face appears to exist between BellSouth and the members of the ICO Coalition, in fact, the underlying issues involve the obligations of the ICOs to interconnect with CMRS providers, and to receive compensation for the termination of CMRS provider-originated calls directly from the CMRS providers. Notwithstanding the allegations in the Petition, BellSouth is seeking a resolution to this dispute that comports with the law and provides all of the parties involved with everything they are entitled to receive. Specifically, the outcome that BellSouth seeks is to have the ICOs collect directly from the CMRS providers appropriate compensation for the terminating service the ICOs provide to the CMRS providers.

The ICOs are required by the Telecommunications Act of 1996 ("1996 Act") to interconnect, either directly or indirectly, with any other telecommunications carrier that wants to send traffic to, or receive traffic from the ICOs. In turn, under the 1996 Act, the ICOs are entitled to be compensated for terminating calls received from such interconnected carriers, and obligated to pay for calls its own subscribers send to the subscribers of such telecommunications carriers. In the context of the present dispute, this means that the ICOs are obligated to receive and to terminate CMRS traffic, and the CMRS providers are required to pay the ICOs for that service. To the extent that the CMRS providers choose to interconnect indirectly with the ICOs, the CMRS providers are obligated to pay any costs associated with that indirect interconnection, including payment to any company that provides a transit function, carrying the call from the CMRS provider

to the ICO. BellSouth, as a part of its provision of telecommunications service, has agreed, upon payment of appropriate compensation, to provide this sort of transit function to any carrier that requests it.

BellSouth is not asking the ICOs to provide a free service to the CMRS providers, and in fact, agrees that the ICOs are legally entitled to collect payments from the CMRS providers for terminating CMRS traffic. BellSouth is simply asking the TRA to insure that BellSouth is not forced into the position of "banker" for the ICOs, and to insure that BellSouth is not required to pay the ICOs for traffic that BellSouth does not originate.

GENERAL RESPONSE TO PETITION FOR EMERGENCY RELIEF

Before BellSouth responds specifically to each of the numbered paragraphs in the ICO's Petition, BellSouth wishes to respond generally to the introductory paragraphs in the ICO Petition. The ICO Coalition states that it filed its Petition only with "... great reluctance; but for the recent actions by BellSouth, this Petition would and should be unnecessary." (See Petition at p. 1.) The ICO Coalition then attempts to create the impression that it was surprised by certain statements made by BellSouth in BellSouth's letter of April 2, 2003 to the Hearing Officer. BellSouth's letter represented a reasonable attempt to keep the Hearing Officer informed, as he requested, as to the status of negotiations in a concise, factual, unemotional manner.¹

¹ In the *Order Continuing Abeyance* issued March 5, 2003, the Hearing Officer specifically directed that notification of the status of negotiations be provided if unresolved issues remained. See, for example, p. 3 of *Order*.

The ICO Coalition's claim that it was surprised by the statement in BellSouth's letter that BellSouth's payments to the ICOs for termination of CMRS traffic (which BellSouth neither originates or terminates) would cease in May is contradicted by both the written correspondence between the parties and the ICO Coalition's knowledge of ongoing proceedings in other states where BellSouth has likewise informed the ICOs that such payments would end.² As shown below in more detail, the ICOs have been well aware that BellSouth's good faith, temporary agreement to continue making payments to which the ICOs are not entitled would come to an end in April. For example, on January 16, 2003, BellSouth wrote a letter to the ICO Coalition in Tennessee confirming previous communications and clearly stating that (1) continued funding of the termination of the CMRS payments by BellSouth with no assurance of BellSouth being reimbursed was untenable, and (2) the CMRS providers and ICOs needed to resolve that issue and BellSouth could not continue to fund these payments. BellSouth's January 16 letter also memorialized a significant concession made by BellSouth to keep settlement discussions moving in a productive way. The letter stated expressly and without ambiguity that BellSouth agreed to continue making such payments through April, 2003 in order to provide the ICOs and CMRS providers with additional time to find

² The ICOs are represented by the same counsel in several states, Mr. Steve Kraskin, and have been well aware that BellSouth was not going to continue funding the ICOS for CMRS traffic termination beyond April, 2003. See Docket No. P-100, Sub 151 (North Carolina) and Docket No. 2003-0045 (Kentucky). In fact, in the Kentucky proceeding, ACC and T-Mobile, CMRS providers, have stated in a pleading to the Kentucky Commission that the *status quo*, i.e., the imposition of access charges on CMRS intraMTA traffic and the ICOs' general reluctance or lack of success in negotiating interconnection agreements, has been particularly harmful to Kentucky consumers. See p. 6 of *Joint Comments Submitted by ACC of Kentucky, LLC and T-Mobile, USA, Inc.* filed on April 9, 2003.

adoption of the 1996 Act, which opened the local exchange market to competition.

SPECIFIC RESPONSES OF BELL SOUTH TO THE ICO COALITION'S PETITION

Following are BellSouth's specific responses to the allegations in the Petition, as well as BellSouth's Counterclaim.

1. On information and belief, BellSouth admits the allegations contained in Paragraph 1.

2. BellSouth denies that the PCP contracts entered into by BellSouth and the ICOs address or even contemplate payment to the ICOs for the termination of CMRS and other transit traffic. BellSouth further denies that the PCP contracts were implemented under the authority of, or subject to the supervision and oversight of the TRA or its predecessor.⁶ BellSouth affirmatively states that, at the request of the ICOs and BellSouth, the PCP contracts were not filed with the Authority or its predecessor, the Tennessee Public Service Commission.⁷

3. BellSouth denies the allegations contained in Paragraph 3.

4. BellSouth denies the allegations contained in Paragraph 4 except that BellSouth admits that each ICO has implemented intraLATA equal access and that, under equal access, customers may elect to utilize an intraLATA toll provider of his

⁶ In fact, to BellSouth's knowledge, the Authority, and its predecessor, the Tennessee Public Service Commission have never reviewed, participated in, or approved any contracts between BellSouth and the ICOs.

⁷ See *Final Order on Independent Companies' and Cooperatives' Motion for Clarification of Arbitration Order and Petition for Declaratory Judgment*, July 11, 1997, in which the Authority stated that it was "motivated by the Motion of the Rural Telcos" to grant the relief requested and not require that the PCP contracts be filed for Authority review and approval. See p. 2 of *Final Order*.

a workable solution.³ This letter was preceded by a similar letter dated February 5, 2002 and followed by statements communicated to the ICOs during a meeting on March 10, 2003. Unfortunately, with one exception, the ICOs have failed to find a workable solution with the CMRS providers.⁴

The ICO Coalition also claims that the matters raised in its Petition have already been addressed by the TRA in the *Initial Order of Hearing Officer* dated December 29, 2000.⁵ BellSouth disagrees. As shown below in more detail, the *Initial Order of Hearing Officer* addressed whether the Authority had any jurisdiction over BellSouth's decision to terminate the Primary Carrier Plan ("PCP") contracts entered into between BellSouth and certain ICOs. It did not address CMRS or transit traffic. This is not surprising because CMRS traffic, which is the subject of the ICO's Petition, is not even addressed in the PCP contracts. In fact, payment for CMRS and transit traffic was not even contemplated, much less addressed, in the PCP contracts. This, too, is not surprising since the contracts, the latest versions of which were executed in the early 1990s, obviously predate the growth and popularity of wireless communication in Tennessee and the

³ BellSouth agreed to continue making those payments through February 2003 settlements (payments to be made in April as the settlement process is two months in arrears.)

⁴ The exception is that the TDS Telecom Tennessee Companies, which are ICOs and members of the ICO Coalition, and the Cellco Partnership, d/b/a Verizon Wireless, a CMRS provider, entered into an agreement in August, 2002. That agreement, which includes negotiated terms and rates for the termination of CMRS traffic, and which contemplates that the ICO and the CMRS provider will pay each other for terminating traffic exchanged via indirect interconnection through a third party (BellSouth) tandem, was filed with the Authority on August 20, 2002 AND demonstrates that this dispute can be resolved by negotiations between the ICO Coalition and the CMRS providers. The TRA approved the Agreement by Order dated November 13, 2002. Copies of the Agreement and *Order Approving Interconnection Agreement* are attached.

⁵ The ICO Coalition fails to mention in its Petition that the Order is the subject of a pending petition for appeal to the Directors filed by BellSouth and that neither the former nor current Authority has approved former Director Malone's *Initial Order*.

or her choice, including BellSouth. BellSouth admits that in the past it has accepted traffic from CMRS providers that was destined for a subscriber served by an ICO, has paid the ICO for terminating the call, and has attempted to recover from the CMRS provider for both the transit function and for what BellSouth was required to pay the ICO. This has been necessary because the systems in which CMRS providers accounts were established at the inception of wireless service were unable to separately identify traffic sent to the ICOs that was originated by BellSouth subscribers as opposed to CMRS subscribers. BellSouth denies the remaining allegations of Paragraph 4 and affirmatively asserts that, as explained below in BellSouth's Counterclaim, this is an arrangement that is no longer feasible or equitable, now that most of the larger CMRS providers, like the CLECs, have moved to MPB.

5. BellSouth denies the allegations contained in Paragraph 5 and refers the Authority to its Counterclaim for an accurate explanation of CMRS and transit traffic issues.

6. BellSouth admits that it has been involved in ongoing good-faith settlement discussions with the ICO Coalition and that it has discussed the possibility of implementing a new arrangement not involving BellSouth funding to compensate the ICO Coalition for the termination of CMRS traffic. BellSouth further admits that it was giving consideration to a conceptual resolution proposed by the ICO Coalition and BellSouth and BellSouth remained amenable to discussing same until the ICOs removed this issue from discussion. BellSouth denies the remaining allegations contained in Paragraph 6.

7. BellSouth admits that it joined the ICO Coalition in reporting to the Hearing Officer that progress toward resolution of issues was continuing and requesting that the proceeding be held in abeyance so negotiations could continue. BellSouth affirmatively states that, during a March 10, 2003 meeting between BellSouth and the ICOs, BellSouth again advised the ICOs of its intent to discontinue certain payments to the ICO Coalition as of May, 2003 for the termination of CMRS traffic. BellSouth denies that the ICOs were surprised because BellSouth had clearly communicated by letter of January 16, 2003, that it would no longer fund the termination of CMRS traffic for the ICOs after April, 2003 payments.⁸ Despite the ICO's alleged "surprise" at the March 10th meeting, BellSouth and the ICOs continued negotiations in an attempt to resolve this issue.

Moreover, in addition to being aware of BellSouth's position based on its involvement in ongoing proceedings in Kentucky and North Carolina, the ICO Coalition has, at least implicitly, known of BellSouth's concerns for years. BellSouth has been endeavoring to get the ICOs and CMRS providers to meet and enter into their own interconnection agreements for a very long time. BellSouth has not objected to providing the transit function for this traffic, but believes that matters of compensation should and have to be dealt with by the ICOs and the CMRS providers directly. In addition to the January 16, 2003 letter, BellSouth has given the ICOs previous notices of its concerns in this area.⁹

⁸ A copy of the letter is attached.

⁹ See, for example, BellSouth's letter to the Tennessee ICOs dated February 5, 2002, a copy of which is attached.

BellSouth further specifically denies that its longstanding notification to the CLECs that it would cease making such payments as of May, 2003 is contrary to either "... the existing arrangements between the RLECs and BellSouth, the good faith undertaking of settlement discussions, and the standing TRA Order issued on December 29, 2000,"¹⁰ as alleged by the ICO Coalition. The PCP contracts between BellSouth and the ICOs do not address CMRS traffic or other transit traffic. This is not surprising since the PCP agreements were entered into in the early 1990s, well before the growth and popularity of cellular communications in Tennessee, and before Congress passed the 1996 Act, opening the local telephone market to competitive local exchange carriers. Moreover, the *Initial Order* relied upon by the ICO Coalition states that BellSouth must continue the interconnection arrangement imposed as a result of past regulatory proceedings.¹¹ Neither the Authority nor its predecessor has imposed any regulatory "arrangements" relating to either the terms or rates for the termination of CMRS traffic. The *Initial Order* addressed a different issue – whether BellSouth could terminate the PCP contracts without Authority approval. The issue raised in the ICO Coalition's Petition addresses payment for the termination of CMRS traffic – an issue not addressed in former Director Malone's *Order*. Indeed, former Director Malone's *Initial Order*, does not even mention the words "CMRS traffic." The ICO Coalition's attempt to "shoehorn" the CMRS and traffic payment issues into the PCP contracts and the December 29, 2000 *Initial Order* should be rejected.

¹⁰ Far from being a "TRA standing order", as the ICO Coalition claims, the *Initial Order* is a former Hearing Officer's order that neither the former nor current Authority has approved. It is also the subject of a pending motion for reconsideration filed by BellSouth.

¹¹ See p. 12 of *Initial Order*.

2

8. BellSouth denies the allegations contained in Paragraph 8 and refers the Authority to BellSouth's Counterclaim for an accurate description of the CMRS and transit traffic issues. As explained above, BellSouth specifically denies that it is disregarding its commitments and the December 29, 2000 *Order*.

9. BellSouth denies the allegations contained in Paragraph 9, which merely repeat the allegations set forth in earlier paragraphs. BellSouth specifically denies that it entered into any commitment to continue to make payments to ICOs for the termination of CMRS traffic indefinitely as the ICO Coalition seems to suggest. BellSouth states that it has acted in good faith and full disclosure at all times as evidenced by the written correspondence it sent to the ICO Coalition.

10. BellSouth denies all allegations not specifically addressed above and specifically denies that the ICO Coalition is entitled to any relief.

BELLSOUTH'S COUNTERCLAIM

1. Every telephone company in Tennessee is expected to interconnect, either directly or indirectly, with every other telephone company in Tennessee. Such interconnections are necessary in order to have a ubiquitous telephone network, so that every telephone subscriber in Tennessee can call every other subscriber, irrespective of the telephone company that provides service to the called subscriber.

2. At the present time, and for some time in the past, BellSouth has interconnected its network with various ICOs in Tennessee. The compensation for the termination of traffic exchanged between BellSouth and the ICOs has varied

depending upon the type of traffic being delivered and terminated. For instance, BellSouth has had the PCP agreement to deal with the exchange of toll traffic. Such agreements were negotiated and agreed to by the parties without participation, review or approval of the Authority or its predecessor, the Tennessee Public Service Commission. The compensation generally paid to the terminating telephone company for toll traffic was based on terminating intrastate access charges, while the exchange of local traffic was generally on a "bill and keep" basis.

3. There are a number of CMRS providers that are doing business in Tennessee. Most of these CMRS providers are interconnected solely with the network of BellSouth or one of the other larger local exchange companies. Nevertheless, the CMRS providers' subscribers desire to place calls to the subscribers of the ICOs. For instance, it is entirely possible that a wireline subscriber residing in an area served by an ICO may have a family member with wireless service from a CMRS provider that interconnects only with BellSouth. When that wireless subscriber wishes to call home, the call is routed from the wireless network, to BellSouth's network, and then to the ICO's network for termination.

4. CMRS providers who terminate traffic to ICO subscribers clearly have an obligation to pay for the termination of that traffic under the 1996 Act.¹² Where the CMRS provider's traffic transits BellSouth's network before terminating on the ICO's network, the CMRS provider has an obligation to also pay BellSouth

¹² See Sections 251(a) and 251(b) of the Act.

for this transiting function, generally pursuant to the contracts that the CMRS providers have entered into with BellSouth.

5. In the past, BellSouth has accepted traffic from CMRS providers that was destined for a subscriber served by an ICO, has paid the ICO for terminating the call, and has then attempted to recover these payments from the CMRS providers, as discussed above, for both the transit function, and for what BellSouth was required to pay the ICO. This process has been necessary because the systems in which the CMRS providers' accounts were established at the inception of wireless service were unable to separately identify traffic sent to the ICOs that was originated by BellSouth subscribers as opposed to CMRS subscribers. Because this traffic could not be separated, BellSouth was unable to generate industry standard records to enable the terminating carrier to bill the originating carrier. This has, however, never been a satisfactory arrangement, for a number of reasons.

6. First, most of the CMRS originated traffic is defined as local traffic according to relevant orders of the Federal Communications Commission ("FCC"). To the extent traffic that was originated by the CMRS providers was local traffic, the CMRS providers owe the ICOs reciprocal compensation for these calls, and not terminating access charges.

7. Second, the calls that BellSouth receives from CMRS providers that are destined for subscribers of ICOs are not sent to BellSouth over separate trunk groups. Further, as stated above, due to systems limitations, those calls were indistinguishable from calls that BellSouth's end users generated to ICO

subscribers. Therefore, even where BellSouth has paid the ICOs terminating access, and then tried to seek reimbursement from the CMRS providers for such payments, BellSouth had to rely upon the CMRS providers and statewide CMRS traffic estimates to determine a "factor" to be used to separate the traffic into traffic destined for BellSouth subscribers and traffic sent to the ICOs.

8. Most of the larger CMRS providers have moved to MPB agreements with BellSouth. BellSouth had previously entered into MPB agreements with CLECs as part of interconnection agreements.¹³ Under the FCC's "Pick and Choose" rules, CMRS providers, beginning with Sprint in 2000, began requesting MPB agreements for this CMRS traffic. As a matter of parity, BellSouth felt obligated to make available such billing arrangements to the CMRS carriers. MPB also provided better and more accurate records for billing for all parties, i.e. it is possible for BellSouth to deliver industry standard call records to the ICOs, which allows the ICOs to distinguish between traffic sent to the ICOs by BellSouth on behalf of its subscribers, and the traffic sent to the ICOs by the CMRS providers. It should be noted that under a MPB agreement, BellSouth receives no compensation for termination of ICO CMRS traffic. Thus, BellSouth has not received any compensation from those CMRS providers who have transitioned to MPB although BellSouth has continued to make payments to the ICOs for such traffic. It is this unreimbursed traffic that BellSouth will cease paying this month.

9. With the adoption of MPB, the ICOs now have information that is sufficient to allow them to bill the CMRS providers directly for such calls.

¹³ This is fully consistent with industry trends. CLECs adopted MPB immediately after enactment of the 1996 Act.

BellSouth would note that these records are the exact same records that BellSouth provides to the ICOs so that the ICOs can bill access charges to various interexchange carriers. Despite having access to this information, the ICOs continue to look to BellSouth for payment. Moreover, under MPB, BellSouth is not being paid by the CMRS providers for terminating this traffic. Even so, BellSouth has declined to block the CMRS traffic transiting its network because of the impact such blocking would have on Tennessee consumers.

10. Third, and finally, this *ad hoc* program of compensating the ICOs has resulted in the ICOs being paid access charges for CMRS calls for which the ICOs were not entitled to receive access charges.

11. Although the ICOs have asserted to the contrary, at least implicitly, the ICOs have known of BellSouth's concerns for years. BellSouth has been endeavoring to get the ICOs and the CMRS providers to meet and enter into their own interconnection agreements for a very long time. BellSouth has not objected to providing the transit function for this traffic, but believes that matters of compensation in this situation have to and should be dealt with by the ICOs and the CMRS providers directly. BellSouth has given the ICOs numerous notices of its concern in this area,¹⁴ and the ICOs and CMRS providers have, to BellSouth's knowledge, with one exception, failed to enter into such agreements so that the ICOs could directly bill the CMRS providers for traffic that transits BellSouth's

¹⁴ See, for example, BellSouth's letters to the Tennessee ICOs dated February 5, 2002 and January 16, 2003.

network.¹⁵ This exception, an Authority-approved agreement between the TDS Companies and Verizon Wireless, demonstrates the practical feasibility of the ICOs and CMRS providers negotiating agreements and resolving this issue without litigation. That agreement includes negotiated terms and rates for the termination of CMRS traffic. It allows the parties to interconnect indirectly through a third party's tandem, and it contemplates that the terminating carrier will obtain records from the third party tandem provider to bill the originating party for termination of traffic. There is no reason the other members of the ICO Coalition and the other CMRS providers cannot negotiate similar agreements.

12. The general reluctance of the ICOs to deal directly with the CMRS providers is understandable given the present situation. The CMRS providers who have moved to MPB with BellSouth are paying nothing for calls that are delivered to ICO subscribers other than the transit fee required by the interconnection agreement between the CMRS provider and BellSouth. The ICOs, on the other hand, are receiving access charges for calls that, under FCC rulings, are mostly local calls originated by the subscribers of the CMRS providers. Therefore, if the CMRS providers and the ICOs were to deal directly with each other, the CMRS providers would be faced with paying something, where they are currently paying nothing, and the ICOs would be faced with accepting lower payments in the form

¹⁵ As stated above, the TDS Telecom Tennessee Companies, which are ICOs and members of the ICO Coalition, and the Cellco Partnership, d/b/a Verizon Wireless, a CMRS provider, entered into such an agreement in August, 2002. A copy of that agreement, which includes terms and rates for the termination of CMRS traffic, was filed with the Authority on August 20, 2002. The TRA approved the agreement by Order dated November 13, 2002.

of, for example, reciprocal compensation for terminating calls placed by subscribers of CMRS providers.

13. As a result of the lack of progress in removing itself as the banker for these parties, BellSouth has informed the ICOs that effective after the April, 2003 payments (for usage handled after February 28, 2003), BellSouth will no longer act as the "banker" for the ICOs with regard to traffic originated by subscribers of CMRS providers with whom BellSouth has a MPB agreement. This is not a surprise to the ICOs and is absolutely appropriate, since BellSouth is under no legal obligation to pay the ICOs for this traffic under any theory of law known to BellSouth. Nor is it a surprise to CMRS providers. In Kentucky, for example, Sprint PCS, a CMRS provider, stated that it agreed that "... BellSouth should not be required to perform a financial clearinghouse function. The only intermediary function BellSouth must provide is the transit function for which Sprint PCS has already contracted with BellSouth. Sprint PCS also agrees that wireless carriers and the ICOs should establish their own compensation arrangements for traffic exchanged in BellSouth's tandem."¹⁶

14. The ICOs have, and have had for some time, a remedy for this "problem" that they now seek to have the Authority resolve through directing BellSouth to make these payments. They have, for the most part, simply failed to take advantage of this solution because it was no doubt simpler to just let BellSouth act as their banker and collection agent and pay access charges for what amounts to local traffic. That is why the ICO Coalition wants a "standstill order".

¹⁶ See *Comments of Sprint PCS* filed on April 8, 2003 in Kentucky Case No. 2003-00045 at p. 2. (Emphasis added.)

They want to "stand still" and let BellSouth continue to be their "banker" to BellSouth's detriment, rather than negotiate with the parties whose traffic they terminate, the CMRS providers. That is no reason, however, to require BellSouth to continue that function after giving the ICOs more than adequate notice that BellSouth no longer intended functioning in this capacity. The TDS Companies and Verizon Wireless have done this by agreement and there is no longer any need for BellSouth to serve as the "banker" for CMRS traffic exchanged by Verizon Wireless and the TDS Companies.¹⁷ Again, there is no reason the other ICOs and CMRS providers cannot negotiate similar agreements.

15. As its counterclaim, BellSouth requests that the Authority join all of the CMRS providers in this state as parties to this proceeding and order the ICOs and CMRS providers to negotiate rates and terms for the termination and CMRS traffic. As stated, the ICOs are required by the 1996 Act to terminate CMRS traffic, and the CMRS providers are required to pay the ICOs for that service, and to pay BellSouth for any transit service. Further, BellSouth is willing to transit traffic originated by ICOs and destined for other carriers to the extent the ICOs enter into a transiting agreement with BellSouth and compensate BellSouth for the transiting function.

16. BellSouth is not asking the ICOs to provide a free service to the CMRS providers, and in fact, agrees that the ICOs are legally entitled to collect payments from the CMRS providers for terminating their traffic. The CMRS

¹⁷ Verizon Wireless is in the process of implementing an MPB agreement with BellSouth. When such agreement is fully implemented, BellSouth will be able to provide to the TDS Companies and Verizon Wireless industry standard billing records that will enable those companies to bill each other for terminating traffic.

providers are subject to the jurisdiction of this Authority because this is clearly a matter involving the interconnection of the networks of the CMRS providers and BellSouth under interconnection agreements that have been negotiated by the parties pursuant to the provisions of the 1996 Act, and approved by the Authority.¹⁸ It is also a matter involving interconnection for the exchange of local traffic between the ICOs and the CMRS providers, subject to the Authority's jurisdiction under Section 252 of the 1996 Act. Thus, to the extent the ICOs and CMRS providers are unable to agree upon the rates, terms and conditions for such interconnecting, they are free to seek arbitration of the unresolved issues under Section 252 of the Act.

Based on the foregoing, BellSouth respectfully requests that the Authority

- (1) Deny the ICO Coalition's Petition for Emergency Relief;
- (2) Join all of the CMRS providers in Tennessee as parties to this proceeding; and

¹⁸ The following is a list of CMRS providers whose interconnection agreements with BellSouth have been approved by the Authority: Action Communication, Inc. fka North American Software; Advantage Cellular Systems, Inc.; ALLTEL; AT&T Wireless Services, Inc.; BellSouth Cellular; BellSouth Mobility, LLC and BellSouth Personal Communications, LLC dba Cingular Wireless; Business Cell Systems; Chase Telecommunications, Inc.; CorComm LLC; Cricket Communications, Inc.; Kyle Cellular Corporation and Cellular Information Systems of Florence, Inc.; Nextel West Corp.; Nextel South Corp.; North American Software Associates, LTD; NPCR, Inc. dba Nextel Partners; NTCH-ET, Inc. and NTCH-West Tenn., Inc.; Southern Mobility; Sprint Com, Inc.; Sprint Spectrum, L.P.; Telecorp Communications, Inc.; Tennessee RSA3 dba Eloqui Wireless; 360 Communications Company; Tritel Communications, Inc.; Triton PCS Operating Company; United States Cellular Corp.; Verizon Wireless Parties aka GTE Mobilnet Parties; Voice Stream Wireless Corporation (fka Powertel).

BellSouth understands that interconnection agreements between other local exchange carriers and CMRS providers have also been approved by the Authority.

(3) Grant BellSouth's Counterclaim and order the ICO Coalition and CMRS providers to negotiate rates and terms for the termination of CMRS traffic.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

By: 

Guy M. Hicks
Joelle J. Phillips
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300
615/214-6301

R. Douglas Lackey
675 W. Peachtree St., NE, Suite 4300
Atlanta, GA 30375

TDS TELECOM®

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FAX: 865-675-3881

725 Pellissippi Parkway, Ste. 230
Knoxville, TN 37932

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Government and Regulatory Affairs

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September 5, 2002

TN REGULATORY AUTHORITY
DOCKET ROOM

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Attention: Ms. Sharla Dillion

DOCKET NO.
02-00973

Dear Ms. Dillion;

With reference to our telephone conversation of September 3, 2002, I am enclosing the filing fee of \$25.00/each and the additional eight copies each of the following Agreements:

- Wireless Interconnection Agreement between TDS TELECOM and Cellco Partnership, d/b/a Verizon Wireless dated June 2, 2002.
- Mutual Traffic Exchange Agreement between TDS Telecom and ICG Telecom Group dated July 1, 2002
- Retail Reseller Agreement – Tennessee between telephone company subsidiaries of TDS Telecommunications Corporation and National Telecom, LLC dated May, 2002.

Again, thank you for your help in getting these Agreements filed.

If you have any questions please call me at (865) 671-4747.

Sincerely,

Joyce Marlowe

Joyce Marlowe
Administrative Assistant

Enclosures

TDS TELECOM®

P.O. Box 22995
Knoxville, TN 37933-0995

Telephone: 865-966-4700
FAX: 865-675-3881

725 Pellissippi Parkway, Ste. 230
Knoxville, TN 37932

Government and Regulatory Affairs

RECEIVED

AUG 27 2002

**SARA KYLE, COMMISSIONER
TN PUBLIC SERVICE COMM.**

August 20, 2002

The Honorable Sara Kyle
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Wireless Interconnection Agreement between TDS Telecom and Cellco
Partnership, d/b/a Verizon Wireless

Dear Ms. Chairman:

Enclosed please find the original and five (5) copies of the Wireless Interconnect
Agreement between the TDS Telecom Tennessee companies and Cellco Partnership,
d/b/a Verizon Wireless.

Please contact me with any questions at 865-671-4753.

Sincerely,



Bruce H. Mottern
Director - Revenue & Earnings

Enclosures

cc: Mrs. Linda Lowrance, TDS Telecom w/enclosures
Ms. Mary Bacigalupi, Verizon Wireless
Mr. Dale Grimes, Bass, Berry & Sims w/enclosures

WIRELESS INTERCONNECTION AGREEMENT
TDS TELECOM - TENNESSEE

This Agreement is effective on the first day of June, 2002, by and between TDS Telecommunications Corporation, a Delaware corporation ("TDS TELECOM"), as agent for the Tennessee corporations listed on Appendix A (collectively, "TDS TELECOM"), and Cellco Partnership, d/b/a Verizon Wireless, a Delaware general partnership ("VZW") with respect to and on behalf of the FCC CMRS licensees and markets listed in Appendix B (Collectively, "VZW").

TDS TELECOM is a local exchange carrier acting through its subsidiary telephone companies in Tennessee. VZW is a commercial mobile radio service carrier operating in Tennessee. TDS TELECOM and VZW desire to interconnect their networks for the purpose of exchanging traffic between the Parties' customers.

In consideration of the mutual covenants contained in this Agreement, the Parties agree as follows.

SECTION I
SCOPE OF AGREEMENT

This Agreement shall cover local interconnection arrangements between VZW's network in Tennessee and TDS TELECOM's network in Tennessee. The exchange of non-local telecommunications traffic between other portions of TDS TELECOM's network and VZW's network shall be accomplished using the existing toll telephone network.

As used in this Agreement, the following terms shall have the meanings specified in this Section:

"Local Traffic" means the completion of wireless to wireline and wireline to wireless calls which originate and terminate within the same MTA based on the location of the cell site serving the wireless subscriber at the beginning of the call and the central office for the landline end-user.

"Major Trading Area" (MTA) means a geographic area established by Rand McNally's Commercial Atlas and Marketing Guide and used by the FCC in defining CMRS license boundaries for CMRS providers for purposes of Sections 251 and 252 of the Act.

"Non--Local Traffic" for which access charges will be applicable, means the completion of interMTA calls based on the location of the cell site serving the wireless subscriber and the central office for the landline end-user.

SECTION II TRAFFIC EXCHANGE

A. Direct Interconnection

1. VZW shall provide its own facilities and transport for the delivery of traffic from its Mobile Switching Center to a mutually acceptable meet point for interconnection to the TDS TELECOM network. Alternatively, VZW may purchase required facilities from a third party or from TDS TELECOM for the delivery of such traffic. Rates for facilities and transport or other services purchased from TDS TELECOM are specified in TDS TELECOM's applicable Local or Access Tariff.
2. The meet points between TDS TELECOM and VZW are defined in Appendix C, which is incorporated by reference. This Agreement shall not preclude TDS TELECOM and VZW from entering into additional direct interconnection arrangements in the future if such arrangements are technically feasible and economically beneficial.

B. Indirect Interconnection

1. For all traffic that is not exchanged via direct interconnection, the meet point for indirect interconnection shall be at an appropriate third party LEC tandem switch.
2. When traffic is exchanged at third party LEC tandem switch, each Party shall be responsible for the cost of providing the trunks from its network to the third party LEC tandem switch. The originating party shall be responsible for payment of any transit charges (including tandem switching) assessed by the third party LEC. Either Party shall be allowed to establish a different point of interconnection for the calls which that Party originates, provided that the new point of interconnection does not increase the cost of transporting or terminating calls for the other Party.

C. Billing. Each Party shall bill the other for calls which the billing Party terminates to its own customers and which were originated by the billed Party. Applicable local transport and termination rates and billing procedures are set forth on the attached Appendix A, which is incorporated by reference. The billed Party shall pay the billing Party for all charges properly listed on the bill. Such payments are to be received within thirty (30) days from the effective date of the statement. The billed Party shall pay a late charge on the unpaid undisputed amounts that have been billed that are greater than thirty (30) days old. The rate of the late charge shall be the lesser of 1.5% per month or the maximum amount allowed by law. The billed Party shall pay the billing Party the reasonable amount of the billing Party's expenses related to collection of overdue bills, such amounts to include reasonable attorney's fees. Neither Party shall bill the other for traffic that is more than one (1) year old.

SECTION III INDEPENDENT CONTRACTORS

The Parties to this Agreement are independent contractors. Neither Party is an agent, representative, or partner of the other Party. Neither Party shall have the right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind the other Party. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon either Party.

SECTION IV LIABILITY

A.

Neither Party nor any of their affiliates shall be liable for any incidental, consequential or special damages arising from the other Party's use of service provided under this Agreement. Each Party shall indemnify and defend the other Party against any claims or actions arising from the indemnifying Party's use of the service provided under this Agreement, except to the extent of damages caused by the negligence or willful misconduct of the indemnified Party.

B.

Neither Party makes any warranties, express or implied, for any hardware, software, goods, or services provided under this Agreement. All warranties, including those of merchantability and fitness for a particular purpose, are expressly disclaimed and waived.

C.

The liability of either Party to the other Party for damages arising out of failures, mistakes, omissions, interruptions, delays, errors, or defects occurring in the course of furnishing any services, arrangements, or facilities hereunder shall be determined in accordance with the terms of applicable tariff(s) of the Party. In the event no tariff(s) apply, the providing Party's liability shall not exceed an amount equal to the pro-rata monthly charge for the period in which such failures, mistakes, omissions, interruptions, delays, errors, or defects occur. Recovery of said amount shall be the injured Party's sole and exclusive remedy against the providing Party for such failures, mistakes, omissions, interruptions, delays, errors, or defects.

SECTION V ATTORNEY'S FEES AND COURT COSTS

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which it may be entitled.

SECTION VI TERM OF AGREEMENT

A.

Either Party may submit this Agreement for approval by the state public service commission. This Agreement shall commence on the effective date stated on the first page, subject to its approval by the public service commission and shall terminate one (1) year after the effective date.

B.

This Agreement shall renew automatically for successive one (1) year terms, commencing on the termination date of the initial term or latest renewal term. The automatic renewal shall take effect without notice to either Party, except that either Party may elect not to renew and terminate by giving the other Party written notice of its intention not to renew at least ninety (90) days prior to each anniversary date.

Either Party may request for this Agreement to be renegotiated upon the expiration of the initial one (1) year term or upon any termination of this Agreement. Not later than 45 days from the receipt of initial request for renegotiations, the Parties shall commence negotiation, which shall be conducted in good faith. Except in cases in which this Agreement has been terminated for Default pursuant to §VI (C), the provisions of this Agreement shall remain in force during the negotiation and up to the time that a successor agreement is executed by the Parties and, to the extent necessary, approved by the relevant state commission.

C.

If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other provision of this Agreement, and such default or violation shall continue for sixty (60) days after written notice thereof, the other Party may terminate this Agreement and services hereunder by written notice provided the other Party has provided the defaulting Party and the appropriate federal and/or state regulatory bodies with written notice at least twenty-five (25) days prior to terminating service.

SECTION VII THIRD PARTY BENEFICIARIES

This Agreement is not intended to benefit any person or entity not a Party to it and no third Party beneficiaries are created by this Agreement.

SECTION VIII GOVERNING LAW, FORUM, AND VENUE

To the extent not governed by the laws and regulations of the United States, this Agreement shall be governed by the laws and regulations of the State of Tennessee. Disputes arising under this Agreement, or under the use of service provided under this Agreement, shall be resolved in state or federal court in Tennessee, the Tennessee Public Service Commission or the Federal Communications Commission.

**SECTION IX
ENTIRE AGREEMENT**

This Agreement incorporates all terms of the agreement between the Parties, and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof. This Agreement may not be modified except in writing signed by both Parties, which modification shall become effective 30 days after its execution, unless otherwise mutually agreed by the Parties. This Agreement is a result of a negotiation between the Parties, and it was jointly drafted by both Parties.

**SECTION X
NOTICE**

Notices shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of VZW to:

Business Name: Verizon Wireless
Mailing Address: 2785 Mitchell Drive, MS 7-1
City/State/Zip Code: Walnut Creek, CA 94598
Attention: Mary Bacigalupi
Contact Phone Number: (925) 279-6006

Verizon Wireless
Director of Interconnection, Regulatory
1300 I Street, NW- STE 400 W
Washington, DC 20005
(202) 589-3756

Notices shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of TDS TELECOM to:

Business Name: TDS TELECOM
Mailing Address: P.O. Box 22995
Shipping Address: 9737 Cogdill Road, Suite 230
City/State/Zip Code: Knoxville, TN 37933-0995 (37932 for shipping)
Attention: Carrier Relations
Contact Phone Number: (865) 966-4700

Bills and payments shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of VZW to:

Business Name: Verizon Wireless
Mailing Address: 3100 West End Avenue, Suite 1100
City/State/Zip Code: Nashville, TN 37203
Attention: Mary Heath
Contact Phone Number: 615-385-5119

Bills shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of TDS TELECOM to:

Business Name: TDS TELECOM
Mailing Address: P.O. Box 5158
City/State/Zip Code: Madison, WI 53705-0158
Attention: Kris Groth, Local Interconnection

or to such other location as the receiving Party may direct in writing. Payments are to be sent to the address on the invoice.

VZW shall ensure bills and payments reference the specific TDS TELECOM company name(s) for which traffic is being billed or paid (see Appendix A for company list).

SECTION XI ASSIGNABILITY

Either Party may assign this Agreement upon the written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no consent shall be required for the assignment of this Agreement in the context of the sale of all or substantially all of the assets or stock of either of the Parties. Notwithstanding the foregoing, either Party may assign this Agreement or any rights or obligations hereunder to an affiliate of such Party without the consent of the other Party.

SECTION XII MISCELLANEOUS

TDS TELECOM is qualified for the rural telephone company exemption pursuant to Section 251(f) of the Telecommunications Act of 1996 and does not waive such exemption.

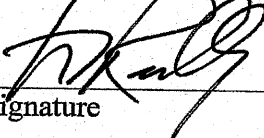
SECTION XIII NONDISCLOSURE OF PROPRIETARY INFORMATION

The Parties agree that it may be necessary to exchange certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, orders for services, usage information in any form, customer account data and Customer Proprietary Network Information ("CPNI") as that term is defined by the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission and similar information ("Confidential Information"). Confidential Information shall include (i) all information delivered in written or electronic form and marked "confidential" or "proprietary" or bearing mark of similar import; or (ii) information derived by the Recipient from a Disclosing Party's usage of the Recipient's network including customer account data and CPNI. Information disclosed orally shall not be considered Confidential Information unless Disclosing Party advises Recipient prior to disclosure that such information is Confidential Information and such information is reduced to writing by the Disclosing Party and delivered to the Recipient within 72 hours of disclosure. The Confidential Information is deemed proprietary to the Disclosing Party and it shall be protected by the Recipient as the Recipient would protect its own proprietary information. Confidential Information shall not be disclosed or used for any purpose other than to provide service as specified in this Agreement. For

purposes of this Section XIII, the Disclosing Party shall mean the owner of the Confidential Information, and the Recipient shall mean the Party to whom Confidential Information is disclosed.

Information shall not be deemed Confidential Information and the Recipient shall have no obligation to safeguard Confidential Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) after it becomes publicly known or available through no breach of this Agreement by Recipient, (iii) after it is rightfully acquired by Recipient free of restrictions on the Disclosing Party, or (iv) after it is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency provided the Recipient shall give at least thirty (30) days notice (or such lesser time as may be sufficient based on the time of the request) to the Disclosing Party to enable the Disclosing Party to seek a protective order. Each Party agrees that Disclosing Party would be irreparably injured by a breach of this Agreement by Recipient or its representatives and that Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of this paragraph. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity.

By: TDS Telecommunications Corporation, as agent for the Tennessee corporations listed on Appendix A

 8/14/02
Signature (date)

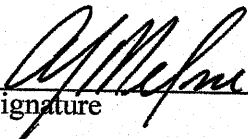
Printed name and title:

Louis D. Reilly III

Director - Carrier Relations

By: Cellco Partnership d/b/a Verizon Wireless

**Verizon Wireless Tennessee Partnership d/b/a Verizon Wireless
By Cellco Partnership, Its General Partner**

 8/6/02
Signature (date)

Printed name and title:

Anthony J. Melone

Vice President - Network Operations Support

**Signature Page dated June 1, 2002 to Wireless Interconnection Agreement between
TDS Telecommunications Corporation (Tennessee Cos.) and Cellco Partnership
d/b/a Verizon Wireless relating to the exchange of Local Traffic.**

APPENDIX A
Local Transport and Termination Rates and Billing Procedures

The Parties shall reciprocally and symmetrically compensate one another for Local Traffic terminated to their respective customers at the rates set forth below:

Indirect Interconnection:

<u>VZW and TDS TELECOM:</u>	<u>\$/MOU</u>
Concord Telephone Exchange, Inc.	.00808
Humphreys County Telephone Company	.00830
Tennessee Telephone Company	.00896
Tellico Telephone Company, Inc.	.00852

Direct Interconnection:

<u>VZW and TDS TELECOM:</u>	<u>\$/MOU</u>
Type 1, 2B	.00400
Type 2A	.00577

TDS TELECOM shall obtain a monthly traffic distribution report from the tandem operator summarizing traffic originated by VZW and terminating to TDS TELECOM. This report information shall be used by TDS TELECOM for billing VZW for traffic terminating to TDS TELECOM. VZW may obtain a monthly traffic distribution report from the tandem operator summarizing traffic originated by TDS TELECOM and terminated to VZW. This report information may be used by VZW for invoicing TDS TELECOM for terminating traffic to VZW.

If VZW elects not or is unable to order a traffic report from the tandem operator, the Parties agree to the following principles for billing terminating usage to one another:

1. TDS TELECOM shall bill for 100% of the traffic originated by VZW and terminated to TDS TELECOM.
2. VZW shall calculate estimated TDS TELECOM terminating traffic to VZW using the following formula: VZW shall bill TDS TELECOM based on the MOUs in 1. above, divided by 0.70 (seventy percent). The total of the calculation shall then be multiplied by 0.30 (thirty percent) to determine the traffic originated by TDS TELECOM and terminated to VZW.

The Parties agree to revise these factors, semi-annually, based upon traffic studies conducted.

Either Party may bill on a monthly or quarterly basis.

The Parties agree to accept the monthly traffic distribution report from the tandem operator as an accurate statement of traffic exchanged between the Parties. Either Party

may perform an audit of the other Party's billing information related to terminating minutes of use of the billed Party. The Parties agree that such audits shall be performed no more than one time per calendar year. Each Party shall bear its own expenses associated with such audit. The audits shall be conducted on the premises of the audited Party during normal business hours.

Either Party may elect to measure terminating Local Traffic through its own recording equipment and utilize these measurements in place of the traffic distribution reports from the tandem operator.

Transport and termination of Non-Local Traffic shall be billed per applicable access tariff or comparable rates where a tariff does not exist.

APPENDIX B
FCC and CMRS Licensees and Markets

Licensee Service	Market Name
Verizon Wireless Tennessee Partnership	Nashville-Davidson Knoxville Johnson City - Kingsport-Bristol Chattanooga Clarksville-Hopkinsville Tennessee 1-Lake Tennessee 2-Cannon Tennessee 3-Macon Tennessee 5-Fayette Tennessee 6-Giles Tennessee 7-Bledsoe Tennessee 9-Maury Memphis Cleveland

Appendix C
Direct Interconnection Points

Type 1 Interconnection Service:

Type 1 Interconnection Service provides a trunk-side connection with line treatment between a TDS TELECOM end office and a wireless service provider's point of interconnection. It is used for the exchange of Local Traffic. Type 1 Interconnection Service provides access to all TDS TELECOM customers served via the end office.

1. The meet point for traffic to and from the Parsons exchange of TDS TELECOM's Tennessee Telephone Company shall be at the Parsons central office (PRSSTNXADS1).

Type 2A Interconnection Service:

Type 2A Interconnection Service provides a trunk-side connection between a TDS TELECOM host office and a wireless service provider's point of interconnection. It is used for the exchange of Local Traffic. Type 2A Interconnection Service provides access to all TDS TELECOM customers served via the host office or any remote end offices.

1. The meet point for traffic to and from the Clifton, Collinwood, Lobelville and Waynesboro exchanges of TDS TELECOM's Tennessee Telephone Company shall be at the Waynesboro central office (WYBOTNXADS0).
2. The meet point for traffic to and from the Decaturville, Parsons, Sardis and Scotts Hill exchanges of TDS TELECOM's Tennessee Telephone Company shall be at the Parsons central office (PRSSTNXADS1).

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 13, 2002

IN RE:

**PETITION FOR APPROVAL OF
INTERCONNECTION AGREEMENT
BETWEEN TDS TELECOMMUNICATIONS
CORPORATION AND CELLCO
PARTNERSHIP D/B/A VERIZON WIRELESS**

DOCKET NO. 02-00973

ORDER APPROVING INTERCONNECTION AGREEMENT

This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 21, 2002 to consider, pursuant to 47 U.S.C. § 252, the Petition for approval of the interconnection agreement for cellular and commercial mobile radio services negotiated between TDS Telecommunications Corporation and Cellco Partnership, d/b/a Verizon Wireless, filed on September 9, 2002.

Based upon a review of the agreement, the record in this matter, and the standards for review set forth in 47 U.S.C. § 252, the Directors unanimously granted the Petition and made the following findings and conclusions:

- 1) The Authority has jurisdiction over public utilities pursuant to Tenn. Code Ann. § 65-4-104.
 - 2) The agreement is in the public interest as it provides consumers with alternative sources of telecommunications services within the TDS Telecommunications Corporation service area.
 - 3) The agreement is not discriminatory to telecommunications service providers that are not parties thereto.
-

4) 47 U.S.C. § 252(e)(2)(A) provides that a state commission may reject a negotiated agreement only if it "discriminates against a telecommunications carrier not a party to the agreement" or if the implementation of the agreement "is not consistent with the public interest, convenience or necessity." Unlike arbitrated agreements, a state commission may not reject a negotiated agreement on the grounds that the agreement fails to meet the requirements of 47 U.S.C. §§ 251 or 252(d).¹ Thus, although the Authority finds that neither ground for rejection of a negotiated agreement exists, this finding should not be construed to mean that the agreement is consistent with §§ 251 or 252(d) or, for that matter, previous Authority decisions.

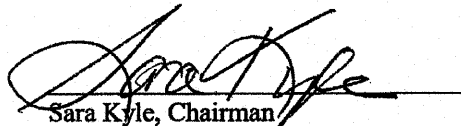
5) This is an agreement for the provision of commercial mobile radio services and is not an agreement between competing carriers.

6) No person or entity has sought to intervene in this docket.


7) The agreement is reviewable by the Authority pursuant to 47 U.S.C. § 252 and Tenn. Code Ann. § 65-4-104.

IT IS THEREFORE ORDERED THAT:

The Petition is granted, and the interconnection agreement for commercial mobile radio services between TDS Telecommunications Corporation and Celco Partnership d/b/a Verizon Wireless is approved and is subject to the review of the Authority as provided herein.


Sara Kyle, Chairman


Deborah Taylor Tate, Director


Ron Jones, Director

¹ See 47 U.S.C. § 252(e)(2)(B)(Supp. 2001).

Date: January 16, 2003

To: Tennessee Independent Telephone Companies

This letter is to provide additional information regarding Meet Point Billing (MPB) with Wireless carriers and our plans to continue compensation.

Once a Wireless carrier converts to MPB, BellSouth Telecommunications (BST) begins creating EMI 11-01-01 access call detail records for the usage of the wireless carrier that transits the BST network and is terminated by your network. BST then forwards these billing records to you so that you may initiate billing to the Wireless carrier. BST is unable to create the EMI 11-01-01 records until the Wireless carrier converts to MPB, and because of this, BST has historically compensated the Independent Companies (ICOs) for transit terminating Wireless toll traffic. This compensation policy was also contingent on the ability of BST to recover these payments to the ICOs from the originating Wireless carriers. BST has provided information regarding this issue to you and/or your billing vendor since June 2000.

As you are also aware, our interpretation of the Telecommunications Act of 1996 is that local interconnection and associated compensation is the responsibility of the originating and terminating parties for both direct and indirect (transit) traffic. Notwithstanding that obligation, BST has continued to compensate the ICOs for transit toll Wireless traffic until the Wireless carrier elected to migrate to a meet point billing arrangement and BST had the ability to provide the EMI 11-01-01 call detail records to the ICO which should enhance the ICO's ability to directly bill the originating Wireless carrier.

Due to concerns raised by the ICOs that they have not begun collecting compensation for the transit Wireless traffic from the originating Wireless carriers, BST, without obligating itself to do so and reserving its rights to terminate such payments, as a show of good faith, will continue to compensate the ICOs for transit Wireless toll traffic through the April 2003 settlements (i.e., February 2003 transit Wireless toll usage. Settlements for transit Wireless usage is two months in arrears). During that time, we will work with the ICOs to reach an acceptable on-going solution regarding this issue. In the interim, each ICO should be making good-faith efforts to finalize their own agreements with the Wireless carriers.

Because of this good faith extension, in the December 2002 settlement statements, your company received an adjustment that compensated you for terminating Wireless toll traffic that has been converted to Meet Point Billing (MPB). This covered settlements for both September and October usage. Since the BST transit Wireless toll usage settlement system cannot track the transit Wireless usage once it converts to MPB, we took a three month average of payments to each ICO for June through August 2002 transit Wireless toll settlements, and paid the difference between the three month average and the normal settlement amounts for September and October. We plan to continue this process for the adjustments up to and including January settlements. Beginning with February settlements, we anticipate having a process in place that will provide compensation based on the EMI 11-01-01 usage data.

If you have any questions, please call Val Sapp at 205/321-2800 or Marilee Calvert at 205/321-2122.

Sincerely,

Tim Watts

BELLSOUTH

BellSouth Telecommunications, Inc.
600 North 19th Street
3rd Floor
Birmingham, AL 35203

Timothy.Watts@BellSouth.com

Tim Watts
Managing Director
Industry Relations

205 321 2085
Fax 205 321 4002

February 5, 2002

To: Tennessee Independent Telephone Companies

Re: Wireless Meet Point Billing

As you may know, Leo Shoemaker has retired from BellSouth and Ricky Ayo has accepted another assignment within BellSouth. I have been named Managing Director of the Industry Relations organization and Joe Pitard is the new Settlements Group Manager.

In reviewing various activities that may impact settlement arrangements between BellSouth and the Tennessee (TN) Independent Companies, I wanted to ensure that you are aware of a movement by Wireless carriers to exercise their right to convert to Meet Point Billing (MPB) arrangements for switched access and other usage exchange. I know that information regarding this activity by the Wireless carriers has been provided to you by our office previously, but I wanted to reiterate the situation and explain what we plan to do from this office to help in the transition and make it as smooth as possible for you.

BellSouth has been compensating the TN ICOs for toll Wireless traffic transiting the BellSouth network and terminated by the ICOs. BellSouth has been compensating the ICOs since the ICOs have had no way to identify the originating Wireless carrier and BellSouth has had no means of creating billing records to provide to the ICOs.

As the Wireless carriers exercise their right to implement Meet Point Billing, the current compensation arrangement will no longer be appropriate for BellSouth and the TN ICOs. The Wireless carriers will seek individual compensation arrangements directly with the transiting company (BellSouth) and the end office companies (you), and potentially vice versa if the Wireless carrier has a presence in your territory.

To facilitate this transition, and to make it as smooth as possible to both BellSouth and the TN Independent Companies, BellSouth plans to do the following:

1. BellSouth will notify each Independent Company as early as possible regarding each Wireless carrier's MPB conversion schedule.
2. As each Wireless carrier converts to MPB, BellSouth will begin creating and sending EMI 11-01-01 call detail access records to you pursuant to the national Ordering and Billing Forum (OBF) MECAB guidelines for wireless traffic transiting our network. This will be identical to the process BellSouth and the Independent Companies have used for years to

MPB switched access with the Interexchange Carriers (IXCs) and should not present any new issues of concern. We will also provide to you as early as possible the Wireless Operating Company Number (OCN) data for those Wireless carriers converting to MPB. Questions regarding the Wireless carrier EMI records may be directed to Rosalind Hood at 205/321-6760.

3. Currently, ALLTEL Wireless is scheduled to convert to MPB on 3/5/02, AT&T Wireless in 4/02. Cingular, Verizon Wireless and Nextel plan to convert sometime in second quarter, 2002, but no specific dates have been established. However, these are only target timeframes and should be viewed accordingly. As you know, Sprint PCS has already converted.

Until a Wireless carrier converts to MPB, we will continue to operate under the existing compensation arrangement for terminating Wireless usage.

Although the move to MPB arrangements by the Wireless carriers is inevitable, I would appreciate any input you may have as to what other actions we may take to keep you informed, and to minimize any impacts the Wireless conversion to MPB may have on you.

I look forward to hearing from you. If you have any questions, please feel free to call me at 205/321-2065, Marilee Calvert at 205/321-2122 or Rosalind Hood at 205/321-6760.

Sincerely,



Managing Director

CC: Ray McCallen
Rosalind Hood
Marilee Calvert
Jeff Fox

cc copy only:

Title	FirstName	LastName	Company	Address1	City	State	PostalCoc
Mr.	Levoy	Knowles	Ben Lomand Rural Telephone	P. O. Box 670	McMinnville,	Tennessee	37110
Mr.	Greg	Anderson	Bledsoe Telephone Coop.	P. O. Box 609	Pikeville,	Tennessee	37367
Mr.	John	Martin	Citizens Communications	P. O. Box 770	Bluefield,	West Virginia	24701-077
Mr.	Wayne	Gassaway	DTC (Dekalb)	P. O. Box 247	Alexandria,	Tennessee	37012
Mr.	Harry	Lackey	Fail Communications	P. O. Box 922-12, Third Street	Bay Springs,	Mississippi	39422
Mr.	Fred	Terry	Highland Telephone Coop.	P. O. Box 119	Sunbright,	Tennessee	37872
Ms.	Louise	Brown	Loretto Telephone Company	P. O. Box 130	Loretto,	Tennessee	38469
Mr.	W. S.	Howard	Millington Telephone Co.	P. O. Drawer 429	Millington,	Tennessee	38053
Mr.	Tom	Rowland	North Central Telephone Coop.	P. O. Box 70	Lafayette,	Tennessee	37083
Ms.	Faye	Wells	Ringgold Telephone Company	P. O. Box 869	Ringgold,	Georgia	30736
Mr.	Ronnie	Barnes	TDS Telecom	P. O. Box 22995	Knoxville,	Tennessee	37933
Mr.	Bill	Tatum	Trenton Telephone Company	P. O. Box 216	Trenton,	Georgia	30752
Mr.	Robert	Dudney	Twin Lakes Telephone Coop.	P. O. Box 672	Gainesboro,	Tennessee	38562
Mr.	Herb	Bivens	United Telephone Company	Box 38	Chapel Hill,	Tennessee	37034
Mr.	W. T.	Sims	Yorkville Telephone Coop.	P. O. Box 8	Yorkville,	Tennessee	38389
Mr.	David	Espinoza	Millington Telephone Company	P. O. Drawer 429	Millington,	Tennessee	38053

Title	FirstName	LastName	Company	Address1	City	State	PostalCo
Mr.	John	Feehan	TDS Telecom	P. O. Box 22995	Knoxville,	Tennessee	37933
Mr.	Gene	Nesbitt	TDS Telecom	P. O. Box 22995	Knoxville,	Tennessee	37933-09

CERTIFICATE OF SERVICE

I hereby certify that on April 15, 2003, a copy of the foregoing document was served on the parties of record, via the method indicated:

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Russ Minton, Esquire
Citizens Communications
3 High Ridge Park
Stamford, CT 06905

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Charles B. Welch, Esquire
Farris, Mathews, et al.
618 Church St., #300
Nashville, TN 37219

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Mr. David Espinoza
Millington Telephone Company
4880 Navy Road
Millington, TN 38053

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Jon E. Hastings, Esquire
Boult, Cummings, et al.
P. O. Box 198062
Nashville, TN 37219-8062

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Henry Walker, Esquire
Boult, Cummings, et al.
P. O. Box 198062
Nashville, TN 37219-8062

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

James Wright, Esq.
United Telephone - Southeast
14111 Capitol Blvd.
Wake Forest, NC 27587

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Dan Elrod, Esquire
Miller & Martin
150 4th Avenue, #1200
Nashville, TN 37219

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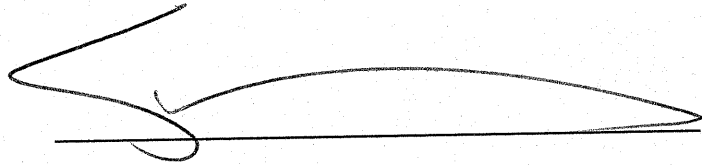
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A handwritten signature in black ink, appearing to read "Stephen G. Kraskin". The signature is written in a cursive style with a large, sweeping loop at the end.